

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of a Petition by United
Telephone Company of Minnesota
Requesting Adoption of an
Alternative Regulation Plan

SUMMARY OF PUBLIC
TESTIMONY

INTRODUCTION

Public hearings in this matter were held in Plainview, Alexandria and Chaska on November 16, 20 and 21, 1995, respectively. Each hearing was held at 7:00 p.m. and continued until all persons had been given a opportunity to present their views.

Attendance at the hearings was moderate. There were approximately ten members of the public present at Plainview, and five spoke. There were approximately 20 members of the public at Alexandria, and seven spoke. There were approximately 12 members of the public present at Chaska, where three spoke.

At each location, persons were informed that they could submit written comments to the Commission, but that they should do so reasonably promptly. At the Chaska location, it was suggested that comments be submitted by January 8. No specific date was announced at the other locations.

Allan W. Klein, Administrative Law Judge, presided at the Plainview and Alexandria hearings. Richard C. Luis, Administrative Law Judge, presented at the Chaska hearing.

Pursuant to the terms of the Commission's October 31 Order in this matter, this is a summary of testimony to assist the Commission in its deliberations.

SUMMARY OF TESTIMONY

Internet access was the most commonly mentioned topic. Some customers were confused between access to an Internet provider (which is what United proposes to offer) and access to the Internet itself (which United will not offer). They thought that for \$6.00 per month, they would get access to the Internet itself. United explained that it would only provide toll-free access to a provider, who would likely charge an additional hourly or monthly fee for access to the Internet itself. When this was explained, one person indicated that the Company ought to offer access to two competing Internet providers, so that customers would not be trapped into an expensive provider. Two customers brought up the topic of extended area service for Internet access, with one of them stating that he

currently paid roughly \$10.00 per month for America Online (an on-line service) but close to \$100.00 per month for long-distance charges to access it. He favored United's plan for toll-free access to an Internet provider, and wanted it to come sooner rather than later. He also thought that the current procedure for EAS was too cumbersome, and the Commission should come up with a better one.

Three customers were confused about whether the Company was going to be offering toll-free access to on-line services, such as America Online, CompuServe or Prodigy, in addition to toll-free access to an Internet provider. They felt that the Company should offer toll-free access to both on-line services and an Internet provider.

Leveling the playing field between rural areas and the metro area was a common thread that ran throughout the comments. Whether a comment was directed at Internet access, or interactive video, or ISDN, there was usually either an explicit or implicit argument that rural areas ought to be able to receive the same kinds of telecommunication services that were available in the metro area, and at roughly the same price. One person bemoaned the fact that obsolete telecommunications services hampered rural areas in attracting business, and urged the Company to speed up its deployment of the new services. He noted that some employers have placed geographic restrictions on telecommuting by their employees, requiring them to be within the metro area because it costs too much for sophisticated telecommunications to rural areas.

ISDN lines received almost as much comment as the Internet. People want them, whether for hospitals, schools or businesses, and they want them sooner rather than later. One commentator opined that the Company's proposed rate of \$45 per month was reasonable, but pointed out that an ISDN line was no substitute for a conventional analog line, and that most persons would need both. He pointed out that an ISDN line required 110 volts to operate, which would not be available in the event of a fire, and so an analog line (which does not require that) would still be needed for emergencies. A complaint was registered, however, over the amount of time that it was going to take to deploy ISDN (which could be up to 48 months), and that even 18 months' delay was too long. He felt that ISDN was a basic, core service in contemporary telephony, and that having to wait even 18 months was "flatly unreasonable" and in violation of Minn. Stat. § 237.081. In addition, he noted that there was no guarantee that all of United's service area would be offered ISDN, because the prefiled testimony of Mr. Holmes stated that United would not provide it more than 18,000 feet from a central office. The commentator did not think that this was a reasonable limitation for the deployment of what he considered a basic, core service.^[1]

Interactive video, the price cap, CLASS services, and the Company's repair guarantee, all drew one or two comments, but they did not receive the attention that was given to Internet access, on-line services, and ISDN.

Location of the public hearings was criticized. The Company's service area includes portions of Osseo. The hearing location closest to Osseo was Chaska. It took more than an hour to drive from Osseo to Chaska, and one customer complained that that was too long a drive and that a closer location should have been offered.

That same customer complained about the quality of service in the Osseo exchange, indicating that service in Osseo used to be miserable before United upgraded

to an electronic office, but that even after the upgrade, it is still so poor that he cannot reliably use a modem even at a "mid-range" speed of 14.4 Kbps. He urged that the Commission not allow United to claim trade secret status for their trouble reports. He thinks the Commission should allow the public to have access to the reports. He noted that the prefiled testimony of Mr. Holmes describes a customer service adjustment proposal, where there would be rebates in return for bad service. However, he questioned what Holmes meant by "regulated trouble". Victor Dobras, United's Director for Governmental and Public Affairs, explained that "regulated trouble" included any trouble in the facilities or the equipment of the Company, but excluded any trouble that is in customer-owned equipment or in facilities or equipment of an interexchange carrier or other service provider.

In general, the Administrative Law Judge would summarize the public comments as being supportive of the proposed plan, particularly with regard to Internet access, ISDN, and creating a "level playing field" between rural and metro areas. However, there was concern about how long it would take to get these services deployed, and whether they would, in fact, be available throughout United's service area. Commentators applauded the Company for proposing these services, but wanted them sooner rather than later.

Dated this 18th of December, 1995.

ALLAN W. KLEIN
Administrative Law Judge

December 18, 1995

Dr. Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2130

RE: In the Matter of a Petition by United Telephone Company of Minnesota
Requesting Adoption of an Alternative Regulation Plan; OAH Docket No. 6-
2500-10164-2

Dear Dr. Haar:

Enclosed herewith and served upon you by mail is the Summary of Public
Testimony in the above-entitled matter. Enclosed is the official record, including the
transcripts of the hearings. Our file in this matter is now being closed.

Yours very truly,

ALLAN W. KLEIN
Administrative Law Judge

Telephone: 612/341-7609

AWK:lr
Enclosure
cc: All Parties of Record

STATE OF MINNESOTA)) SS
COUNTY OF HENNEPIN)

AFFIDAVIT OF SERVICE BY U.S. MAIL

LaVon Regan, being first duly sworn, hereby deposes and says that on the 18th of December, 1995, at the City of Minneapolis, county and state aforementioned, she served the attached Summary of Public Testimony; Docket No. 6-2500-10164-2, by depositing in the United States mail at said City of Minneapolis, a true and correct copy thereof, properly enveloped, with first class postage prepaid and addressed to the individuals named herein.

See Attached Service List

LaVon Regan

Subscribed and sworn to before me
this 18th day of December, 1995.

Notary Public

Service List
6-2500-10164-2

Dr. Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2130

Dennis Ahlers
Office of the Attorney General
Suite 1200 North Central Life Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Victor E. Dobras
Sprint/United Telephone - Minnesota
1630 World Trade Center
30 East Seventh Street
St. Paul, MN 55101-1901

John B. Van de North, Jr.
Briggs and Morgan Law Offices
2200 First National Bank Building
St. Paul, MN 55101

Amy J. Klobuchar
Gray, Plant, Mooty, Mooty & Bennett, PA
3400 City Center
33 South Sixth Street
Minneapolis, MN 55402-3796

Rick L. Anthony
Quest Communications, Suite #205
6600 College Boulevard
Overland Park, KS 66211

Timothy Jaeger
Dial-Net, Inc.
PO Box 5059
2600 West 49th Street
Sioux Falls, SD 57117-5059

Linda Chavez
Telephone Docketing Coordinator
MN Department of Public Service
121 East Seventh Place, Suite 200
St. Paul, MN 55101-2147

Joan Peterson
MN Office of the Attorney General
Suite 1200 North Central Life Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Joseph P. Cowin, Senior Attorney
Sprint/United Telephone Company
5454 West 110th Street
Overland Park, KS 66211

Don McCormick
Value-Added Communications
Technologies Management, Inc.
17250 Dallas Parkway
Dallas, TX 75248

Larry Salustro
AT&T Communications
227 West Monroe Street, Suite 1300
Chicago, IL 60606

[1] The Administrative Law Judge has confirmed that only one person spoke to this 18,000-foot limitation, and that other persons who addressed the ISDN issue appeared to assume that it would be available throughout the service area.